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SUBJECT: RUSSIA WELCOMES PRESIDENT OBAMA BUT FOREIGN POLICY
GOALS UNCHANGED

11. (SBU) Summary. Russia will not change its foreign policy goals because of the financial crisis or difficulties in relations with the West and neighbors, according to FM Lavrov in his annual press conference on January 16. Blaming the conflicts in 2008 mostly on the West, Lavrov nonetheless emphasized that Russia was ready for "equal cooperation." Moscow's top foreign policy priority was the CIS, though Russia did not seek new "spheres of influence." The Georgia conflict had highlighted the need for a "polycentric system of governance" and a new European security model, whereas the financial crisis had emphasized the need to focus on real issues not "virtual projects" like NATO enlargement. Both Lavrov and DFM Ryabkov expressed hope there would be changes in policy under the Obama Administration, leading to improved U.S.-Russian relations building off the April 2007 Sochi Declaration, with President Medvedev using a meeting with Russian Ambassador to the U.S. Kislyak to reinforce expectations of early and productive engagement. Russia called for serious negotiations on a post-START Treaty, reconsideration of missile defense plans for eastern Europe, and direct U.S. dialogue with Iran. Despite the positive comments on U.S.-Russian relations by GOR officials, the GOR-influenced media downplayed the U.S. inauguration. In response to Lavrov, experts see Russian actions, particularly in Georgia and Ukraine, as likely to have negative consequences for its relations with the CIS and the West. End summary.

No Change in Goals

12. (SBU) In his annual press conference on Russia's foreign policy January 16, FM Lavrov emphasized that Moscow would not change its foreign policy goals laid out in President Medvedev's Foreign Policy Concept (reftel) despite the financial crisis and the difficult issues and relations Russia experienced in 2008. Instead of highlighting Russia's foreign policy successes and future goals, Lavrov acknowledged that the previous year had been "rich in major controversial events that seriously affected the situation in the world." He stressed that Russia had completed a period of "inner concentration," focusing on a "qualitatively new geopolitical situation," and now had a clear understanding of its national interests. Noting that Russia was "ready for equal cooperation" with its international partners, he nonetheless blamed most of the difficulties of the prior year on the West's policies, particularly the recognition of Kosovo, desire to enlarge NATO to Georgia and Ukraine, and efforts to "contain Russia."

13. (SBU) Calling the global financial crisis the most important event of 2008, Lavrov denied that the crisis (which is seriously affecting Russia) would have a significant impact on proposed major projects, such as the construction of the North Stream and South Stream pipelines, though it might slow some projects down due to a reduction in funds.

Rather, the financial crisis would affect the methods by which foreign policy was conducted. Lavrov predicted that "urgent issues" would replace "virtual projects" (such as NATO enlargement), with a new impulse to "strengthen the common agenda, de-ideologize international relations, and focus on pragmatic approaches."

CIS Top Priority for Russia

¶4. (SBU) Lavrov stated that development of relations with the CIS was Russia's "absolute priority," noting the creation of a new Agency for the CIS within the MFA and President Medvedev's January 22-23 visit to Uzbekistan. He denied that Russia was seeking "spheres of influence," stressing instead the long-standing ties between Russia and its neighbors and Moscow's desire to develop relations with those countries on an "equal, mutually beneficial basis."

Need for New European Security Architecture

¶5. (SBU) Lavrov reiterated that the previous year's difficulties had merely reinforced the need for a "polycentric system of governance." Repeating Russian arguments justifying its war with Georgia and contending that Georgian government actions had "forced" Moscow to recognize Abkhazia and South Ossetia, Lavrov indicated that such events demonstrated the "urgency" for a new European Security model. He maintained that Medvedev's proposal was not designed to eliminate existing security institutions, including NATO; Russia sought to participate in the discussions and development of a new structure intended to remove remaining

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dividing lines. Lavrov repeated the GOR mantra that just as the financial crisis had shown that one country could not secure its financial security at the expense of any other, no country should ensure its security at the expense of another.

Hope for Improved Relations with the U.S.

¶6. (SBU) Lavrov stressed that Moscow wanted to "actively cooperate" with the new U.S. Administration and hoped there would be "changes for the better" in U.S. foreign policy. This overarching message was reinforced by Medvedev on January 15. In a meeting with Russian Ambassador to the U.S. Kislyak, Medvedev noted that despite disagreement on a number of issues, there were fields where the two countries "simply must work together," highlighting the global financial crisis, the fight against terrorism, organized crime and illegal narcotics, and non-proliferation. He said Russia would like to see relations with the U.S. "evolve and develop intensively and constructively in all areas."

¶7. (SBU) Russian leaders continue to highlight the April 2007 Sochi Declaration as a bilateral template, with Lavrov calling for a "more substantive, constructive conversation" on a post-START arms control regime; a pause in development of the missile defense sites in eastern Europe and a reconsideration of Russia's 2007 proposals for a Russia-U.S.-European system for tracking and developing joint responses to missile threats; and the resumption of high-level economic dialogue. Stressing that the U.S. and Russia had a "huge agenda," including the Middle East, Afghanistan, Iraq, nuclear and weapons proliferation, counternarcotics, combating international crime, and counterterrorism, Lavrov urged the U.S. to discard "unnecessary, virtual" projects, such as NATO enlargement, and focus on a common agenda.

¶6. (SBU) Both Lavrov and MFA Deputy Foreign Minister for North America Sergey Ryabkov, in separate interviews January 17 and 19, expressed the hope that the new U.S. Administration would open a window of opportunity to rekindle

U.S.-Russian relations. Even as speculation mounts in the media over early visits by the President and Secretary, both stressed that the problems in the relationship would not be solved overnight. Emphasizing that it was up to the new Administration to determine the relationship with Russia, they said that Russia was ready for open, equal, pragmatic interaction with the U.S., and believed it was possible to build on past efforts to move the relationship forward. Lavrov, speaking to "Vesti" TV, pointed to the Sochi Declaration as embodying the principles upon which the relationship was founded: do everything to solve problems in the areas where our approaches are similar, and strive to ensure that differences on other issues do not hamper cooperation. However, both Lavrov and Ryabkov, in his interview with ITAR-TASS, reiterated opposition to U.S. missile defense plans and NATO enlargement, and expressed the hope the U.S. Administration would "thoroughly review" the policies. Ryabkov emphasized the top priority of negotiating a post-START treaty, while recognizing the differences in approach between the two sides.

17. (SBU) In his "Vesti" TV interview, Lavrov welcomed the prospect of direct dialogue between the U.S. and Iran, noting that Russia's dialogue with Iran was developing "quite successfully."

Desultory Reaction to Obama Inauguration

18. (SBU) While Russian officials have favorably spun prospects for improved relations with the U.S., the GOR-influenced and state-controlled media have downplayed President Obama's inauguration. Coverage has been desultory, with most newspapers carrying the story on inside pages, and little analysis or comment from officials or the press. Conservative attack dogs, such as TV commentator Mikhail Leontyev, have disparaged prospects for change, with other commentators referring to "G.W. Obama." A number of Russian attendees at the Spaso House viewing of the inauguration commented on the strong contrast between the U.S. ceremony, with over a million "average" Americans on the Mall to witness it, and Medvedev's inauguration in May, which was limited to a small group of the elite. There is clear sensitivity about the obviously free and fair competition in the U.S. electoral process, contrasted to Russia's "foregone conclusion." Noting the debacle of Ukraine and Georgia, Russia in Global Affairs editor Fedor Lukyanov attributed small advances in Bishkek and Dushanbe to the effects of the

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international crisis, and not the attractiveness of Russian foreign policy.

Experts Express Skepticism

19. (SBU) Although some commentators, such as Sergey Karaganov, Director of the Council on Foreign and Defense Policy, characterized Russia as having won in 2008 on foreign policy issues as the war in Georgia, NATO enlargement, and reemergence of Russia as a major power, many experts questioned Lavrov's positive spin and emphasized the consequences of Russia's actions on its relations with the rest of the world.

10. (SBU) Andrei Fedorov, Director of Political Programs of the Council of Foreign and Defense Policy and former Deputy Foreign Minister (1990-1991), contended that there was little being done on a new EU-Russia Partnership Agreement, NATO-Russian relations were "still in a state of hypothermia," U.S.-Russian relations were at a low point, Russian relations with the CIS were "far from desirable," and Russian relations with Ukraine were "the worst" in the past few years. He added that Russia's credibility as a reliable political partner had been undermined, the gas conflict with Ukraine "did not add optimism," and Russia had pushed the EU

to revise the entire system of European energy security. Characterizing 2008 as a year of an "almost constant obstacle course" for Russia, he predicted that Russia would not gain new allies, but increasingly be required to defend its national interests alone.

¶11. (SBU) Vladimir Milov, head of the World Energy Institute and member of the opposition party Solidarity, and Alexey Malashenko of the Moscow Carnegie Center, both posited to us that Russia's top foreign policy priority was to "retake post-Soviet space," but that its actions in Georgia and over the gas crisis in Ukraine were having the opposite effect; they were driving away Russia's former partners, including in Central Asia, where Russia's actions had thrown into question who could best guarantee their security. Characterizing Russia's actions in Georgia and Ukraine as "major mistakes," Malashenko contended that they would have long-term consequences for Russia's relations in the region.

¶12. (SBU) There has been incredulity over Lavrov's assertion that the financial crisis would not affect any major foreign policy projects, with a Kommersant editorial arguing that Russia's "ambitious expansion" into Latin America, creation of a Russia-Belarus Union State and plans to unite the CIS, and alternate pipelines were all likely victims. All these projects, Kommersant reported, had run into serious problems: Russian oil and gas companies had said there were no funds to invest in Latin America; Russia-Belarus discussions on a Union State had been postponed twice and Lukashenko had not even recognized Abkhazia and South Ossetia; the plan for the new MFA CIS Federal Agency to create a Russian analogue to AID had not materialized; and Gazprom, even before the dispute with Ukraine, had started seeking new investors for Nord Stream due to lack of money to pay for it. Kommersant also noted that contrary to Lavrov's statement that Russian-EU interaction over the past year had been "a good example of a constructive, pragmatic approach," the EU, during the war with Georgia, had considered imposing sanctions on Russia; had decided to support the Nabucco pipeline; had frozen negotiations on the new PCA for two months; and had suggested that the next "victims" after Georgia and Ukraine could be Moldova. Kommersant ironically noted that Lavrov's conclusion that "Russia has largely completed the period of focus" came from his 1856-1882 predecessor Prince Gorchakov, who actually had said: "Russia is accused of being isolated and silent in the face of facts that are not in tune with any law or with justice. They say that Russia is angry. Russia is not angry, Russia is focused."

Comment

¶13. (SBU) While acknowledging that there have been "major controversial events" in the past year, Lavrov and Russian officials continue to put the blame on the rest of the world, particularly the U.S., and intimate that if only the rest of the world would address issues in a pragmatic and open way and include Russia as an equal partner, all would be well. While there does seem to be a genuine hope and desire to improve relations with the U.S., Lavrov and other GOR officials have adhered to an uncompromising line that it will not come at the expense of concessions on Russia's perceived

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"red lines."
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